

SUBCOMMITTEE NO. 2 Agenda Addendum

**Alan Lowenthal, Chair
Darrell Steinberg
Dave Cogdill**



**Monday, April 7, 2008
10:00 a.m.
Room 11**

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Resources—Environmental Protection—Energy

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Discussion Items

3540 Department of Forestry and Fire Protection

1. Efforts to Contract with Certified Disabled Veteran Business Enterprises Update – Informational Item

Existing Law. Existing law provides that state agencies have a goal of assigning 3 percent of contracted services to certified disabled veteran businesses. California Department of Forestry and Fire Protection (CALFIRE) has acknowledged past lapses in meeting this goal, but believes it has made significant progress with this objective. On the other hand, all parties acknowledge that the goal is just that, and is not as strong as a binding requirement for a certain percentage of contracts to go to qualified disabled contractors.

Though existing law also establishes a goal of 25 percent of all contracts be awarded to certified small businesses, these small businesses are entitled to a 5 percent competitive advantage with certain bids to state agencies. Disabled contractors are not covered by this provision nor are they guaranteed a contract even when their price is the same as that of a non-disabled contractor. Similarly, state agencies, including CALFIRE, do not set aside a specific portion of their contracting budgets for certified disabled contractors.

Report. As part of the *2005-06 Budget Act*, the Legislature requested a report from CALFIRE on its efforts to contract with certified disabled veteran businesses, as directed by current law. In this report, CALFIRE identified inconsistent policies at the department related to contracting with veteran-owned businesses. The report indicated that CALFIRE conducted eight hired equipment dispatching training workshops throughout the state for CALFIRE fire dispatchers in 2005. A total of 64 dispatchers from 21 of CALFIRE's dispatching centers received training on CALFIRE's emergency equipment hiring and dispatching policies and a special emphasis was placed on how CALFIRE provides preferential hiring opportunities to disabled veteran business enterprises.

Current Contracting. During the first half of 2007-08, CALFIRE had a DVBE participation of 2.46 percent. In the 2006-07 fiscal year, CALFIRE awarded 2.2 percent of its contract for goods and services to disabled veteran businesses. This was up from 2005-06, when only 1.24 percent of contracts were awarded to disabled veterans.

Also, CALFIRE awarded 18.56 percent of its contracts to small businesses in the first half of 2007-08. In 2006-07, CALFIRE has awarded 16.4 percent of its contracts to small businesses, and in 2005-06 the rate was 13.3 percent.

Staff Recommendation. Informational item, no recommended action.